

Rep. Kaptur applauded enactment of the Credit Cardholders' Bill of Rights. The legislation, which the House with an overwhelming bipartisan majority of 361–64, was quickly signed into law by President Obama. The legislation aims to end unfair practices of the credit card industry and protect consumers from the abusive tactics that have driven so many Americans deeper into debt.

“The bill, while it does not go far enough, is a smoke signal that something needs to be done to reign in usurious interest rates and predatory credit card practices,” said Kaptur.

The bill levels the playing field between card issuers and cardholders by applying common sense regulations that would ban most retroactive interest rate hikes on existing balances (except when payments are more than 60 days late), double-cycle billing and due-date gimmicks.

The Credit Cardholders' Bill of Rights is part of a long-term plan to rebuild our economy in a way that is consistent with our values of responsibility and hard work, not high-flying finance schemes. As American families are being forced to tighten their belts during this economic crisis, the lending industry that has found new ways to make profits around old regulations, and faced little oversight, needs a reality check too.

Specifically, the bill bans most interest rate increases on existing balances and increases notice of interest rate hikes going forward on new purchases. It requires that bills be sent 21 days before the due date; prohibits charging fees just to pay a bill by phone, mail or web; bans over-the-limit fees unless a consumer opts-in in advance; bans due-date tricks; requires payments to be applied fairly to the highest interest rate balance first; and strengthens credit card protections for young people.